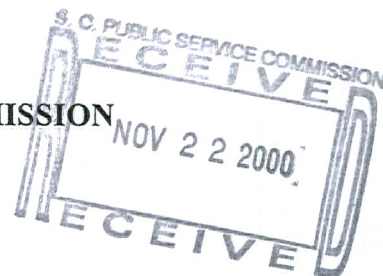


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BEFORE THE  
SOUTH CAROLINA PUBLIC SERVICE COMMISSION  
Docket No. 2000-516-C



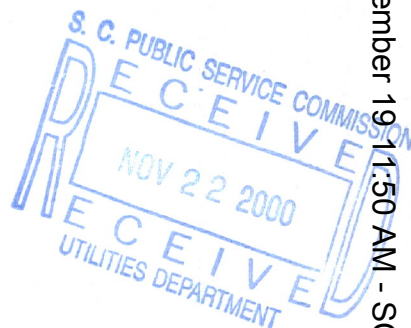
Petition of

ADELPHIA BUSINESS SOLUTIONS  
OF SOUTH CAROLINA, INC.

For Arbitration with BellSouth  
Telecommunications, Inc. Pursuant to  
Section 252(b) of the Communications  
Act of 1934, as amended by the  
Telecommunications Act of 1996

DIRECT PREFILED  
TESTIMONY OF  
ADELPHIA BUSINESS  
SOLUTIONS OF SOUTH  
CAROLINA, INC.

**TESTIMONY OF EUGENE J. BROWN**



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Its Attorneys

Dated: November 22, 2000

RETURN DATE: OK Del  
SERVICE: OK Del

**BEFORE THE  
SOUTH CAROLINA PUBLIC SERVICE COMMISSION  
Docket No. 2000-516-C**

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**TESTIMONY OF EUGENE J. BROWN**

**Q: Please state your name, title, and business address for the record.**

**A:** My name is Eugene J. Brown. I am the Director of LEC Relations for Adelphia Business Solutions, LLC, a parent corporation of Adelphia Business Solutions of South Carolina, Inc. My business address is as follows:

Adelphia Business Solutions  
1 North Main Street  
Coudersport, PA 16915

**Q: Please describe your responsibilities for Adelphia.**

**A:** My responsibilities focus primarily on local exchange carrier ("LEC") activity with respect to compliance with existing Interconnection Agreements. I am also responsible for the collection of monies relating to mutual compensation and trunking with all LECs that Adelphia Business Solutions bills for such services. I interact with legal counsel, both within Adelphia Business Solutions and externally, on matters pertaining to

1 Interconnection Agreement negotiations, settlement issues, general telecommunications  
2 issues, etc.

3 **Q: Please summarize your educational background and professional experience.**

4 **A:** I have a Bachelor of Science degree in accounting from Kings' College, Wilkes-Barre,  
5 Pennsylvania. I have been active in various capacities within the telecommunications  
6 industry for the past twelve years. I have served as a Senior Marketing Specialist and  
7 Director of Market Planning and Research for AG Communications Systems, a  
8 subsidiary of Lucent Technology. AG Communications Systems is a research and  
9 development facility as well as an equipment manufacturer for telecommunications  
10 equipment. I have also served as Manager of Channel Development and Senior Manager  
11 of Carrier Relations with Commonwealth Telecom Services, Inc., a multi-state  
12 competitive local exchange carrier and long distance carrier. I have also been an Account  
13 Executive, Major Account Executive and Manager of Business Development for  
14 Commonwealth Long Distance, a multi-state interexchange carrier. I have also  
15 functioned as a Financial Analyst and Supervisor of Corporate Reporting for C-TEC  
16 Services Inc. C-TEC was a holding company that had operating groups in the  
17 independent telephone, cellular, CLEC, paging, long distance, switching and cable  
18 marketplaces.

19 **Q: Have you provided testimony before the South Carolina Public Service Commission**  
20 **Before?**

21 **A:** No, I have never provided testimony before the South Carolina Public Service  
22 Commission.

1     **Q:     Please describe the operations of Adelphia.**

2     **A:**     Adelphia Business Solutions of South Carolina, Inc. (“Adelphia”) is an indirect  
3             subsidiary of Adelphia Communications Company, one of the nation's leading cable  
4             companies with more than 5.5 million residential customers nationwide. Adelphia  
5             Business Solutions Operations, Inc. (“ABSO”), Adelphia’s managing affiliate, is one of  
6             the nation's fastest growing integrated communications providers, offering a wide array  
7             of advanced services to the business marketplace. ABSO currently is constructing a  
8             national fiber optic backbone that will span more than 200 major metropolitan areas. This  
9             redundant network will support ABSO’s full line of communication offerings including  
10            local voice, long distance, enhanced data, messaging, and Internet services.

11    **Q:     What is the purpose of your testimony?**

12    **A:**     The purpose of my testimony is to explain Adelphia’s position with respect to Issue 1(A),  
13             the appropriate rates for leased facility interconnection, Issue 3, whether Internet Protocol  
14             Telephony (“IP Telephony”) should be excluded from local traffic subject to reciprocal  
15             compensation, and new Issue 6 (introduced by BellSouth in its Reply), whether BellSouth  
16             can unilaterally designate points of interface (“POIs”) between BellSouth and Adelphia’s  
17             network for BellSouth-originated traffic.

18    **Q.     Are BellSouth and Adelphia interconnected in South Carolina?**

19    **A.**     Currently, BellSouth and Adelphia are not interconnected in South Carolina. Trunks  
20             have been ordered and should be provisioned between December 4 and December 6,  
21             2000 to Adelphia’s switch center in Columbia, South Carolina. Adelphia intends to turn  
22             up its switch on December 18, 2000.

**Q: Before we discuss the arbitration issues identified in Adelphia's petition, are you aware that BellSouth, in its response to Adelphia's petition, has introduced a new issue for arbitration?**

**A:** Yes, I am.

**Q: Can you explain Adelphia's position on this new Issue 6?**

**A:** The points of interface ("POI") dispute between Adelphia and BellSouth relates to the physical interconnection of the trunk groups provided by each Party for the transport and termination of local telephone calls between their respective networks. The POI is referred to in the contract as the physical link between Adelphia's and BellSouth's facilities. The Point of Interconnection is defined in the agreement as the first point of switching on a Party's common (shared) network. Rather than confuse the acronyms, I'll call this point the IP or interconnection point. I would like to emphasize that, throughout the negotiations, it was Adelphia's understanding that for BellSouth-originated traffic, BellSouth would be financially responsible for delivering such traffic to the Adelphia switch (the IP). Similarly, for Adelphia-originated traffic, Adelphia would be financially responsible for delivering such traffic to BellSouth's tandem (the IP). However, during negotiations that followed the filing of our arbitration petition, we learned that BellSouth does not want financial responsibility for delivering its traffic to our switch. In Attachment A to BellSouth's response, they omit the following language we thought we had negotiated for section 1.5:

The originating Party bears the cost of delivering its originating traffic to the Point of Interconnection on the other Party's network, regardless of the location of the Point of Interface.

By deleting this language, BellSouth *substantially* altered the financial responsibilities of each party. BellSouth would like to retain a unilateral right to

1 designate multiple POIs for traffic BellSouth's customers originate, and to require  
 2 Adelphia to bear the cost of picking up BellSouth's traffic at these POIs and bringing it  
 3 back to Adelphia's switch.

4 **Q: Why does Adelphia object to BellSouth's new language?**

5 **A:** Under BellSouth's proposal, the location and number of POIs has both financial and  
 6 operational impacts, because each carrier needs to install transmission facilities and  
 7 equipment to deliver its originating traffic to each POI, and to receive terminating traffic  
 8 there. Of course, BellSouth already has a ubiquitous network throughout many areas of  
 9 South Carolina and can use its existing facilities for these purposes. On the other hand,  
 10 Adelphia as a new entrant must construct (or lease or acquire) new facilities for access to  
 11 each POI. Therefore, this issue has competitive implications as well.

12 The incumbent LEC ("ILEC") should not be permitted to impose interconnection  
 13 requirements on competitive LECs ("CLECs") that require CLECs to duplicate the  
 14 ILEC's legacy network architecture. Rather, new entrants should be free to deploy least  
 15 cost, forward-looking technology, such as the combination of a single switch with a  
 16 SONET ring to serve an area that the ILEC may serve through a hub-and-spoke, switch-  
 17 intensive architecture. Initial interconnection at the tandem level and at a single POI per  
 18 LATA is crucial to providing new entrants this flexibility. For a new entrant to begin  
 19 service, it requires a single connection capable of handling all of its calls, including local,  
 20 toll, and access traffic. Adelphia agrees that sound engineering principles may eventually  
 21 dictate that Adelphia add new POIs at other BellSouth switches. However, there is no  
 22 reason for BellSouth to demand, or the Commission to compel, interconnection at any  
 23 point unilaterally selected by BellSouth for its originated traffic. Taken to its extreme,

1 this could require Adelphia to interconnect at every end office or every local tandem even  
2 if the amount of traffic originating from BellSouth customers served out of those offices  
3 is relatively small.

4 **Q: Is Adelphia trying to foist onto BellSouth the costs of Adelphia's network design?**

5 **A:** No. In fact, the opposite is true. BellSouth is the Party that has created, whether by  
6 choice or regulatory requirement, numerous local calling areas within each LATA. In the  
7 contract and in its Response to our Petition, BellSouth is the Party asking Adelphia to  
8 incur costs to mirror BellSouth's legacy network architecture by trunking to each tandem,  
9 paying additional charges when BellSouth must switch Adelphia-originated traffic  
10 through more than one tandem, and establishing dedicated facilities to any POI BellSouth  
11 designates. While Adelphia has agreed to trunk to each tandem where its NXXs are  
12 homed, and to pay additional charges when BellSouth switches Adelphia-originated  
13 traffic through more than one tandem, it would be anticompetitive, inefficient, and a  
14 waste of public switched telephone network ("PSTN") resources to require Adelphia to  
15 mirror BellSouth's legacy network by establishing dedicated connections to each  
16 BellSouth tandem or local calling area regardless of traffic volume.

17 **Q: Does BellSouth's contract language permit BellSouth to require connections at each**  
18 **BellSouth tandem or in each local calling area?**

19 **A:** Yes. The contract, as proposed by BellSouth, would permit BellSouth to designate  
20 multiple POIs for delivery to Adelphia of BellSouth-originated traffic. The contract  
21 places no limits on BellSouth's designation of POIs. Although the contract language  
22 does not require Adelphia to mirror BellSouth's network by establishing POIs at each

tandem or in each local calling area, the contract gives BellSouth the unilateral right to require Adelphia to do so.

**Q: Does Adelphia maintain a single POI in each LATA or multiple POIs in other BellSouth markets?**

**A:** We have established interconnection with BellSouth in Louisiana, Florida, Kentucky, Mississippi, and Tennessee. In all states, Adelphia and BellSouth initially agreed to a single POI per LATA.

**Q: If the new interconnection agreement were to require Adelphia to establish POIs based on BellSouth's unilateral designation of additional POIs, how would that affect the number of POIs per LATA?**

**A:** Adelphia could be required to establish numerous POIs in a LATA. In fact, there is no set limit on the number of POIs that BellSouth could require.

**Q: Doesn't the contract language proposed by BellSouth permit establishment of a single POI per LATA?**

**A:** The language proposed by BellSouth provides that a single POI will be established "by mutual agreement of the parties." If the parties cannot agree, however, each party can unilaterally designate POIs for its originated traffic. Thus, even if BellSouth were to agree to establish a single POI when Adelphia enters a LATA, the broad contract language proposed by BellSouth would permit them to alter that decision at any time, without Adelphia's consent. If Adelphia initially established a single POI and was later forced to meet with BellSouth at multiple POIs at BellSouth's unfettered discretion, it would seriously retard Adelphia's growth and impose additional unnecessary costs on Adelphia without any offsetting benefit.



1           If the volume of traffic originating from and/or terminating to an additional  
2   BellSouth tandem is low, BellSouth's transport and switching costs for its originating  
3   traffic are relatively low and Adelphia's costs for BellSouth's transport and termination  
4   of Adelphia-originated traffic are relatively low. BellSouth has been in this business for  
5   over 100 years and has built ubiquitous facilities to transport traffic throughout its serving  
6   area. Since BellSouth already has facilities in place to carry this traffic, and therefore  
7   benefits from certain economies of scale, its costs to switch and transport traffic it  
8   exchanges with Adelphia are relatively low and it is more efficient to use BellSouth's  
9   common network capacity than to establish dedicated capacity that permits BellSouth's  
10   customers to reach only Adelphia's customers.

11           Adelphia as a new entrant has not deployed transport facilities throughout  
12   BellSouth's serving area. Thus, in order for Adelphia to reach additional BellSouth-  
13   designated POIs, Adelphia must either construct facilities, which requires local permits,  
14   digging up streets, etc., or lease existing transport from BellSouth or another carrier. In  
15   short, where traffic volumes to/from additional wire centers are low, if BellSouth requires  
16   Adelphia to establish a POI at (or a dedicated connection to) the additional wire center,  
17   BellSouth's avoided costs are negligible but Adelphia's costs are high. Furthermore, if  
18   Adelphia purchases the transport from BellSouth, then BellSouth has succeeded, through  
19   its multiple POI requirement, in generating a significant amount of revenue from selling  
20   transport to Adelphia. Finally, BellSouth may also have stranded PSTN resources  
21   because capacity dedicated to calls between BellSouth and Adelphia customers may be  
22   grossly underutilized.

1           In sum, to the extent this issue is about costs, the number of POIs is a financial  
2           issue for both Parties. BellSouth's insistence on a unilateral right to designate additional  
3           POIs places an undue financial burden on Adelphia to build out (or purchase or lease)  
4           facilities to each of BellSouth's unilaterally-designated POIs.

5   **Q:   Apart from financial incentives, does Adelphia have other incentives to optimize its**  
6   **network interconnection with BellSouth?**

7   **A:**   Yes, we do. Our other incentives include issues of control and network reliability.  
8           Because we must rely in part upon BellSouth to provide service to our customers, we  
9           have an interest in ensuring that the weakest link in the chain -- the BellSouth facilities,  
10          over which Adelphia has little if any control -- does not undermine Adelphia's ability to  
11          provide high quality service to its customers. If we establish a single POI in a LATA and  
12          traffic volumes increase to the point that the single POI becomes a bottleneck, Adelphia  
13          will need to establish additional POIs to relieve the bottleneck, or face the prospect of  
14          having customer services delayed or even blocked. Similarly, if BellSouth does not have  
15          adequate facilities available at the single POI to accommodate Adelphia's forecasted  
16          growth, Adelphia will establish additional POIs to avoid facility restrictions on our  
17          continued growth. Issues such as these are addressed by the local network planners for  
18          each company on a regular basis.

19          We believe that the question of whether multiple POIs need to be established  
20          should be determined through consideration of specific network concerns by the planners  
21          responsible for running the networks. Because the network planners are most familiar  
22          with the network architecture, traffic volumes, and forecasts, Adelphia prefers that the  
23          establishment of additional POIs be left to the discretion of the network planners from

both companies, consistent with sound engineering principles. In considering new POIs, sound engineering principles dictate a case-by-case analysis under which carriers should consider factors such as the current network architecture, the current and forecasted level of traffic flowing through the existing POI, the location(s) from which traffic is flowing, the remaining capacity at the existing POI, and the demand placed upon that POI. For example, a certain threshold of traffic ("X") coming from and going to a given tandem serving area may dictate that a new POI be established at that tandem based upon the number of customers behind that tandem, while a higher threshold of traffic ("X+1") coming from and going to another tandem serving area might justify the establishment of a new POI at that second tandem if there are more customers (and more potential simultaneous call paths) in that tandem serving area. After all of these and other relevant factors are taken into account, an appropriate, mutually agreeable determination can be made as to when and where an additional POI may be needed.

**Q: What action do you recommend the Commission take?**

**A:** The Commission should leave the decision to establish additional POIs to the discretion of the network planners against the backdrop of a contract requirement of one POI per LATA without giving either party the unilateral ability to designate new POIs.

**Q: Turning now to the issues set forth in Adelphia's petition, please describe Adelphia's dispute with BellSouth on Issue 1(A).**

**A:** Adelphia and BellSouth are currently interconnected in seven states in the BellSouth region. The seven states in which we are interconnected are Florida, Georgia, Kentucky, Louisiana, Mississippi, North Carolina and Tennessee. In Kentucky and Tennessee, BellSouth transports BellSouth's originating traffic to be terminated to Adelphia's

1 subscribers over Adelphia facilities and pays Adelphia dedicated transport charges from  
2 the Point of Interface to Adelphia's Switching Center. The rates BellSouth pays are the  
3 Adelphia state access tariffed rates. Apparently, BellSouth determined that it was more  
4 cost-effective to "lease" Adelphia's facilities to deliver its originating traffic to  
5 Adelphia's Point of Interconnection rather than construct its own and has paid Adelphia  
6 for those leased facilities at Adelphia's tariffed rate. BellSouth now refuses to continue  
7 this arrangement and, instead, proposes a compensation framework that will have a  
8 negative impact on Adelphia. BellSouth offers no legitimate reason why the existing  
9 arrangement has become unacceptable.

10 **Q. How would BellSouth's proposal have a negative impact on Adelphia?**

11 **A.** Under BellSouth's scenario, the parties would charge each other symmetrical, reciprocal  
12 rates for leasing each other's facilities. There are several problems with this proposal.  
13 First, as I understand it, BellSouth is required by the 1996 Telecommunications Act to  
14 charge cost-based rates, an obligation which is not imposed on Adelphia, a new entrant.  
15 Second, the way BellSouth defines the parties' obligations, and given the extent of its  
16 legacy network, if the parties were to charge each other symmetrical *rates* the end result  
17 would be anything but symmetrical. Given the way the two networks interconnect,  
18 Adelphia would pay vastly more to BellSouth for the lease of BellSouth's facilities than  
19 BellSouth would pay to Adelphia for the lease of Adelphia's facilities. This is addressed  
20 in more detail in the testimony of Timothy Gates, filed on behalf of Adelphia. The  
21 inequities here are apparent.

**Q: Would BellSouth's proposal to unilaterally designate POIs for BellSouth-originated traffic (new Issue 6) have any additional impact on the rate inequities you just mentioned?**

Yes, BellSouth's proposal would magnify them. BellSouth would be able to unilaterally establish additional POIs, each of which would potentially require Adelphia to lease BellSouth facilities using BellSouth's inequitable rate structure.

**Q: What should the Commission do with this BellSouth proposal?**

**A:** The Commission should sustain the status quo and affirm Adelphia's right to charge tariffed rates to BellSouth for leased facility interconnection even if BellSouth is required by law to charge lower, cost-based rates.

**Q: Please summarize Adelphia's dispute with BellSouth on Issue 3.**

**A:** My understanding is that this dispute centers on BellSouth's attempts to create a category of calls — known as Voice over Internet Protocol ("VoIP") traffic — for which *no* compensation would be provided to Adelphia, even though Adelphia's facilities are essential to the successful completion of the call. Pending action from the FCC, which has jurisdiction over VoIP traffic and, to date has taken a "hands off" attitude towards it, the parties agreed to disagree on whether the definition of Switched Access Traffic should include VoIP Traffic. However, BellSouth has proposed a qualification to the definition of Switched Access Traffic that would undermine entirely that agreement to disagree and prejudge the FCC's ultimate resolution of the issue. BellSouth seeks to add language stating that: "irrespective of the transport protocol method used, a call which originates in one local calling area and terminates in another local calling area . . . shall not be compensated as local."

1   **Q:    What is VoIP traffic?**

2   **A:**    The phrase “Voice over Internet Protocol” refers to the transmission of voice  
3           communications utilizing digital packet-switched technologies known as the Internet  
4           Protocol. Yet the definition of VoIP means different things to different people and can  
5           encompass a wide variety of services. For instance, VoIP can be phone-to-phone,  
6           computer-to-phone, phone-to-computer, or computer-to-computer. Services can be  
7           delivered to a World Wide Web address, to a North American Numbering Plan number,  
8           or to an Internet Protocol address not on the World Wide Web. In addition, VoIP can  
9           include bells and whistles such as storage and retrieval of data or translation of voice  
10          from English to French.

11   **Q:    Have the parties defined VoIP traffic in the contract?**

12   **A:**    No. There is no definition for VoIP in the proposed contract. This was not a significant  
13          issue as long as the parties “agreed to disagree” regarding the appropriate treatment for  
14          this traffic. BellSouth’s proposal, however, clearly would exclude VoIP traffic from the  
15          scope of the parties’ reciprocal compensation obligations. BellSouth’s proposed  
16          language, however, is so vague that it also could be interpreted to encompass other traffic  
17          that Adelphia contends is eligible for reciprocal compensation.

18   **Q:    Please explain the problems you see with BellSouth’s proposal.**

19   **A:**    BellSouth’s proposed language invites the Commission to assert jurisdiction over VoIP  
20          traffic which, as BellSouth acknowledges, lies plainly within the FCC’s jurisdiction.  
21          BellSouth would have the Commission contradict the FCC’s “hands off” policy with  
22          respect to the treatment of such traffic. Furthermore, if the Commission accepts  
23          Adelphia’s invitation to find that ISP-bound traffic is indeed entitled to reciprocal

1 compensation, by approving BellSouth's proposal, the Commission effectively could  
2 deny reciprocal compensation to Adelphia for BellSouth originated traffic bound for ISPs  
3 and enhanced service providers.

4 Another critical problem is raised by BellSouth's proposed qualification: as far as  
5 I know, there is no way to distinguish, segregate or separately meter VoIP traffic from  
6 any other traffic. Thus, if the Commission were to accept BellSouth's qualification, it  
7 would be incapable of ready and practical implementation.

8 **Q: What other issues are raised by BellSouth's proposed qualification to the definition**  
9 **of "Switched Access Traffic"?**

10 **A:** BellSouth's proposal raises an important regulatory policy issue which can be stated by a  
11 simple question, "Does this Commission want to regulate technology?" This  
12 Commission should respond with a loud and clear "NO."

13 **Q: Please explain.**

14 **A:** Before I address the implications of BellSouth's proposal, I would like to describe what I  
15 believe is the current landscape of IP Telephony related usage.

16 As I understand the current capabilities of converging voice and data technologies  
17 the following is likely: most IP communications which are capable of supporting today's  
18 alternative voice technologies are "always on." In many instances dedicated pipes (DSL  
19 Links, Cable Modems, Data T-1's, campus based fiber and ethernet networks, etc.) are  
20 utilized to create private networks and/or virtual private networks for businesses and  
21 individuals. Each network can have available to it multiple gateways (usually called  
22 servers), sometimes physically located with the provider of the transport link, sometimes  
23 physically located in other locations. The "server" provider may or may not be affiliated

1 with the “transport link” provider. Many gateways are “software” enabled, thus requiring  
2 common (and often proprietary) software to be loaded on various network devices.

3 **Q: What kinds of services are provided with these servers?**

4 **A:** Some common server based services -- other than World Wide Web servers -- include  
5 news servers, music servers, chat servers, e-mail servers, game servers, voice mail  
6 servers, unified e-mail/voice mail servers, fax and fax-e-mail servers, and video servers.  
7 Any or all of these servers are capable of “voice over the net.” Additionally, some major  
8 developing or evolving services include modern “work at home” and “work on the road”  
9 IP-based communication systems which unify voice, e-mail, fax, mobile, and Web-based  
10 communications onto IP-based servers. 3Com and Avaya (formerly Lucent) are industry  
11 leaders in such integrated communications technologies. To date, operation of one or  
12 more of these “Gateways” or “Servers” has been completely unregulated. The rules of  
13 the marketplace have been to develop a better and more useful “new economy” product.

14 **Q: Please specifically address BellSouth’s proposal.**

15 **A:** BellSouth seeks to exclude VoIP traffic from local traffic eligible for reciprocal  
16 compensation. By excluding certain types of calls “irrespective of the transfer protocol  
17 method used,” BellSouth is clearly targeting calls that are transported using IP  
18 technology. Notably, BellSouth has not limited its qualification to voice calls. Without  
19 using, much less defining, the term “VoIP”, BellSouth is asking this Commission to  
20 endorse a proposal that could have a dramatic effect on new and unforeseen applications  
21 of this new technology. Furthermore, not only does BellSouth’s proposal represent an  
22 indirect way to reach VoIP traffic, BellSouth’s proposal is so vague that it reaches an  
23 uncertain class of traffic.



1   **Q:**    Would Adelphia find BellSouth's proposal acceptable if BellSouth offered a  
2           definition of VoIP Traffic that was limited to voice?

3   **A:**    I do not think VoIP traffic can or should be defined, especially from a marketplace  
4           perspective. The convergence of voice and data is not a concept that is readily or easily  
5           definable. Many different companies and individuals are working on new services, new  
6           ideas and new technologies that wrestle with how best to "converge" voice with data for  
7           new products.

8   **Q:**    Why do you think that BellSouth wants this new technology to be regulated?

9   **A:**    I would not presume to speak for BellSouth. However, it seems the BellSouth proposal  
10          would preserve its current monopoly and prevent new entrants from creating alternatives  
11          to BellSouth services. Such a strategy benefits BellSouth shareholders. As the  
12          Commission is well aware, however, simply because a strategy or proposal benefits  
13          shareholders does not mean that it is in the public interest. These new technologies, if  
14          used efficiently, have the potential to offer an alternative to "traditional" telephone  
15          services.

16   **Q:**    Is BellSouth's proposal premature?

17   **A:**    Yes. I think the word "pre-emptive" better represents the proposal. Applying traditional  
18          regulatory concepts to VoIP traffic is analogous to applying postal regulations to the  
19          transmission of e-mail. Unless the Commission believes that the U.S. Postal Service  
20          should assert jurisdiction over ISP-traffic carrying e-mail, the Commission should  
21          continue to forbear regulation of VoIP traffic.

1   **Q:    What should this Commission do with this BellSouth proposal?**

2   **A:**    The Commission should deny BellSouth's request. The development of new technology  
3           and services should be left to the marketplace. Providers without market power cannot  
4           harm the public interest. The market will discipline new entrants. BellSouth, on the  
5           other hand, is not a new entrant and has the incentive and ability to thwart new entrants,  
6           if allowed. This Commission should reject BellSouth's proposal, maintain the status quo  
7           pending FCC action, and encourage BellSouth to respond to new products and services in  
8           the marketplace.

9   **Q:    Does this conclude your testimony?**

10  **A:**    Yes, it does.